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106TH CONGRESS
1ST SESSION

H. R. 145

To amend the Internal Revenue Code of 1986 to allow individuals a deduction for amounts paid for insurance for medical care.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 6, 1999

Mr. GREEN of Texas introduced the following bill; which was referred to the Committee on Ways and Means

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A BILL

To amend the Internal Revenue Code of 1986 to allow individuals a deduction for amounts paid for insurance for medical care.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DEDUCTION FOR AMOUNTS PAID FOR INSURANCE FOR MEDICAL CARE.

(a) IN GENERAL.—Part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1986 (relating to additional itemized deductions for individuals) is amended by redesignating section 222 as section 223 and by inserting after section 221 the following new section:

"SEC. 222. INSURANCE FOR MEDICAL CARE.

"(a) DEDUCTION ALLOWED.—

"(1) IN GENERAL.—In the case of an individual, there shall be allowed as a deduction for any taxable year an amount equal to the applicable percentage of the amount paid during the taxable year for insurance covering medical care or for any qualified long-term care insurance contract for the taxpayer, and his spouse and dependents.

"(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage shall be determined under the following table:

"For taxable years beginning in calendar year—	The applicable percentage is—
1999	45
2000 and 2001	50
2002	60
2003 through 2005	80
2006	90
2007 and thereafter	100.

"(3) DEFINITIONS.—For purposes of paragraph (1)—

"(A) INSURANCE.—The term 'insurance' includes amounts paid as premiums under part B of title XVIII of the Social Security Act (relating to supplementary medical insurance for the aged).

"(B) MEDICAL CARE.—The term 'medical care' has the meaning given to such term by section 213(d)(1).

"(C) QUALIFIED LONG-TERM CARE INSURANCE CONTRACT.—The term 'qualified long-term care insurance contract' has the meaning given to such term by section 7702B(b).

"(b) COORDINATION OF DEDUCTION.—No amount taken into account under subsection (a) shall be taken into account in computing the amount allowable to the taxpayer as a deduction under section 162(l) or 213(a).

"(c) COORDINATION WITH EXCLUSION.—No amount excluded from income under section 125 shall be taken into account under subsection (a).".

(b) DEDUCTION ALLOWED IF INDIVIDUAL DOES NOT ITEMIZE.—Subsection (a) of section 62 of such Code (relating to general rule for adjusted gross income defined) is amended by inserting after paragraph (17) the following new paragraph:

"(18) INSURANCE FOR MEDICAL CARE.—The deduction allowed by section 222.".

(c) CLERICAL AMENDMENT.—The table of sections for part VII of subchapter B of chapter 1 of such Code is amended by striking the item relating to section 222 and inserting the following new items:

"Sec. 222. Insurance for medical care.
"Sec. 223. Cross reference.".

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(d) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1998.

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